GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy Dept. - Providing Government Guarantee for an amount of Rs.1000 Crores (Rupees one thousand crores only) to Andhra Pradesh Power Finance Corporation Limited (APPFCL) for obtaining a term Loan by APPFCL from Indian Overseas Bank, Chandramouli Nagar Branch, Guntur– Orders - Issued.

ENERGY (POWER-III) DEPARTMENT

G.O.MS.No. 91 Dated: 12-11-2025
Read:

From the MD, APPFCL. Lr.No.MD/ CFO/APPFCL/ D.No.210/2025, dt:15-10-2025.

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O R D E R:

In the reference read above, the Managing Director, Andhra Pradesh Power Finance Corporation Limited (APPFCL) has requested the Government to provide Government Guarantee for Rs.1000 Crores to M/s APPFCL, Vijayawada for availing a Special Term Loan of Rs. 1000 Crores from Indian Overseas Bank, Chandramouli Nagar Branch, Guntur, for onward lending to the State Government power utilities for their operational needs such as coal purchase, power purchase etc.

2. After careful examination of the matter, Government hereby accord approval for providing Government Guarantee to the Andhra Pradesh Power Finance Corporation Limited (APPFCL) for an amount of Rs.1000 Crores (Rupees one thousand crores only) for availing a Special Term Loan of Rs. 1000 Crores from Indian Overseas Bank, Chandramouli Nagar Branch, Guntur, for onward lending to the State Government power utilities for their operational needs such as coal purchase, power purchase etc., with the following conditions:-

(i) The Guarantee will be valid for the entire tenure of the loan period.
(ii) The Guarantee is extended for the Principal and interest part.
(iii) APPFCL has to negotiate & ensure zero foreclosure charges clause in the agreement.
(iv) Submission of repayment schedule of Principal and Interest along with the details such as interest rate, tenure, moratorium period etc., conditions if any.
(v) The Government Guarantee shall come into force only in the event of failure to pay the obligations to the lending institution by APPFCL.
(vi) The deed shall not be valid, unless it is signed by the authorized officer of the Finance Department, Government of Andhra Pradesh.
(vii) APPFCL shall meet the debt servicing from it's own resources.
(viii) APPFCL has to pay 2% Guarantee Commission on the Guaranteed amount.

3. The Managing Director, Andhra Pradesh Power Finance Corporation Limited, Vijayawada shall take necessary action accordingly.

4. This order issues with the concurrence of Finance Department vide their U.O.No.FIN01-FMU0ASD(IIE)/56/2025-FMU-IC-IIE,(Computer No. 3013778), Dated:30-10-2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. VIJAYANAND
SPECIAL CHIEF SECRETARY TO GOVERNMENT (FAC)

To
The Managing Director,
Andhra Pradesh Power Finance Corporation Limited (APPFCL)
The Member Convenor,
Andhra Pradesh Power Coordination Committee, Vijayawada.
The Chairman &Managing Directors, APEPDCL/APCPDCL/APSPDCL/
Visakhapatnam/Vijayawada/Tirupati.

Copy to:

The Branch Manager, Indian Overseas Bank, Chandramouli Nagar Branch, Guntur
The P.S to Secretary to C.M.
The O.S.D. to Minister, Energy.
The P.S to Special Chief Secretary to Govt., Energy Department.
The P.S to Principal Secretary to Govt., Finance Department.
The General Administration(Cabinet) Department.
SF/SC (Computer No.3008082)

//FORWARDED:: BY ORDER//

SECTION OFFICER